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THE POST-URUGUAY ROUND TARIFF ENVIRONMENT FOR DEVELOPING COUNTRY EXPORTS

UNCTAD/WTO Joint Study

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INTRODUCTION

1. This study has been prepared by the secretariats of UNCTAD and the World Trade Organization (WTO) in the framework of their mutual cooperation programme. Its objective is to review the tariff situation in major developed and developing countries once all the tariff changes and quota-phase outs agreed in the Uruguay Round are fully implemented. The study analyses the tariff situation for developing country exports and focuses on two major aspects: (a) tariff peaks; and (b) tariff escalation. For this purpose it takes account of the concessions granted by preference-giving countries under their respective generalized system of preferences (GSP) schemes.

2. The study aims at improving the understanding of the dimension of the post-Uruguay Round tariff problem and at identifying the main sectors where exports of developing countries have high tariffs in their major markets. The study further illustrates, by the example of some major export products of developing countries, the patterns of tariff escalation that will be encountered in the post-Uruguay Round situation. The results of this study are intended to contribute to preparations by developing and other countries for trade negotiations.

3. To this effect, substantial work has been initiated to improve and update UNCTAD and WTO data bases on tariffs and trade to the post-Uruguay Round situation. This study uses the results of this work to date to project as realistically as possible the post-Uruguay Round tariff situation for exports to eight selected major markets: in the developed countries, Canada, the European Union (EU), Japan and the United States, and in the developing countries, Brazil, China, the Republic of Korea and Malaysia. These countries are major export destinations for developing countries and include some of the most dynamic developing country markets. Peak tariffs were defined as rates above 12 per cent ad valorem, which may still provide substantial effective rates of protection to domestic producers of up to 50 per cent. The tariff data now integrate the current tariff situation in these countries in 1996/1997 with respect to most-favoured nation (MFN) and GSP rates, and, to the extent possible, suspended MFN rates, as well as the agreed rates resulting from the Uruguay Round negotiations. It also takes account of the ratified commitments for alignment to the MERCOSUR Common External Tariff by the year 2000. An attempt has also been made to translate the relevant Uruguay Round concessions into the Harmonized System tariff nomenclature of 1996.

4. A problem in carrying out a study of peak tariffs is that a substantial proportion of peak tariffs are specific rates or combined rates. This is the case for almost all products where post-Uruguay Round MFN rates (outside tariff quotas) exceed 30 per cent ad valorem. Due to the lack of the tariffs' transparency, ad valorem equivalents were estimated. They are based generally on import unit values if recent values were available from or for the countries concerned; in the other cases, Trade Information System data (TRAINS) at the level of individual tariff lines or six digit Harmonized System (HS) trade statistics from the UN COMTRADE data base have been used. In a few cases, specific rates were compared with world market prices or, if data were lacking, with the trade data of the major world market importers of the product. Furthermore, ad valorem equivalents for specific rates vary with changing world market prices. These equivalents also are only averages for an importing country for a specific year, whereas exporters have different ad valorem

equivalents that vary with the price of each transaction: these equivalents will be higher, the lower the export price. Post-Uruguay Round tariff data in the new HS 1996 nomenclature are available for the European Union; cooperation by the United States' authorities with respect to preliminary estimates of 1997 MFN tariff rates and 1996 import unit values facilitated substantially the estimation process.

5. Improvement of tariff transparency, particularly in the sectors of peak tariffs, and their comparability with trade data depends crucially on cooperation by the countries concerned. A methodology based on original country data for estimating ad valorem equivalents for specific tariff rates for negotiating and analytical purposes is superior to any other methodology. Nonetheless, comparisons with world market prices or other international prices are useful, where peak tariffs have reduced a country's imports to minimal levels or have allowed only imports of highest quality and highest priced products which can support such tariff rates and the resulting consumer prices for luxury products.

6. In conclusion, it seems necessary to substantially improve transparency of tariffs with regard to specific rates. In the first instance, ongoing work by WTO member countries regarding translation of post-Uruguay Round concessions into the new 1996 HS nomenclature should be concluded as rapidly as possible. It is also desirable for countries to provide information on ad valorem equivalents of specific rates currently applied and resulting from the Uruguay Round in order to increase transparency. For future trade negotiations, the option of converting all specific and combined rates into ad valorem rates should be further explored. The clear expression of specific duties in ad valorem terms would substantially facilitate the evaluation of their incidence on prices and trade in the countries concerned and by their trading partners.

II. TARIFF PEAKS

7. As a result of the Uruguay Round and national tariff reforms, average tariff levels of many countries have now been reduced to relatively low levels. This has led to a widespread belief that tariffs are no longer a major problem for international trade, nor for the trade of developing countries.

8. However, this study shows that problems of high tariffs are still widespread. Even after the full implementation of all Uruguay Round concessions a substantial number of high tariffs will remain which provide for high levels of protection and affect international trade, including exports from developing countries.

Frequency

9. Both frequency and tariff levels are a matter of concern. About 10 per cent of the tariff universe of the Quad countries will continue to exceed the level of 12 per cent ad valorem after full implementation of the Round. This rate refers to the effectively applied tariffs for imports from developing countries. All presently applied tariff suspensions, as well as general GSP concessions as applied in favour of developing countries in 1996/97, were subtracted. The Quad countries maintain an extremely large variation of tariff rates. Their tariff peaks reach, in extreme cases though for important products, 350 per cent and more. The majority of their peak tariff ranges

from 12 to 30 per cent. But one fifth of the peak tariffs of the United States, one quarter of those of the European Union, about 30 per cent of Japan and about one seventh of those of Canada exceed 30 per cent (see tables 1 to 4).

10. Developing countries apply rates above 12 per cent ad valorem more frequently than the Quad countries but have fewer extremely high rates. In the four examples selected for this study, the proportion of peak tariffs ranges from 8 per cent in the Republic of Korea to 30 per cent in Malaysia, 60 per cent in Brazil and 70 per cent in China. However, at the end of the implementation period no MFN tariffs will exceed 100 per cent in the Republic of Korea, and no rates will be above 20 per cent in Brazil, once the MERCOSUR Common External Tariff has been fully implemented. Malaysia's tariff will be 30 per cent or more for about one third of all peaks. This is still the case for half of the peak tariffs in China which is, however, engaged in negotiations for WTO membership and a progressive liberalization programme for its tariff and non-tariff measures. In this context, import tariffs will be reduced from an average of 23 per cent to 17 per cent on 1 October 1997 (see tables 5-8).

11. Peak tariffs affect both agricultural and industrial products significantly. Agricultural peaks are important in all developed countries, the Republic of Korea and China. Their proportion is relatively low in Brazil and Malaysia. Industrial peaks are most frequent in the United States and Canada, and more generally in the developing countries. About one fifth of Japan's peaks are in the industrial field. They play a small role in the European Union where GSP avoids rates exceeding 12 per cent for most industrial exports from developing countries, as well as in the Republic of Korea.

Main sectors

12. The problem of peak tariffs occurs in six sectors: (a) major agricultural staple food products; (b) fruit, vegetables, fish, etc.; (c) the food industry; (d) textiles and clothing; (e) footwear, leather and travel goods; (f) the automotive sector and a few other transport and high technology goods such as consumer electronics and watches.

(a) Major agricultural food and commodities

13. The most important areas with the highest frequencies and the highest rates are the major agricultural staple foods, in particular meat, sugar, milk, butter and cheese, and cereal, as well as tobacco products and cotton. Tariffication of former quantitative restrictions, levies and similar non-tariff protection measures resulted in extremely high rates exceeding in most cases 30 per cent and reaching up to 30 per cent and more for MFN trade above tariff quotas (see table 9).

14. The tariff quotas for such products are intended to safeguard traditional trade flows and create new minimum access opportunities for the trade of all WTO members. While several of these tariff quotas do create new trading opportunities, a number lack dynamism or are limited in their use. Frequently, the volume of the tariff quotas does not increase during the implementation period. Quotas are often allocated mainly to traditional partners or are accessible under preferential arrangements. This risks pre-empting trading opportunities and leaves little room for imports from newcomers. Products

benefiting from tariff quotas are often narrowly defined, exclude standard trade qualities, or are provided for industrial use. There are important cases where tariff quotas carry peak rates or even rates exceeding 30 per cent.

15. High MFN rates for these staple food products are often combined with country-specific special measures. In application of the agricultural safeguard clause, the US tariff specifies additional duties so that imports above the tariff quotas are subject to progressively higher tariff rates the lower the actual export price. Japan has a system with similar effects, as tariffs for certain meat products, for example, are defined as the difference between the import price and a certain standard price or a multiple thereof. In Japan and the Republic of Korea, there are quantitative restrictions on rice. Furthermore, for rice and other cereal products, Japan, under the same safeguard provisions, has a system of import mark-ups for government-related imports, which can reach up to 550 per cent for rice: these mark-ups may be tariffied in the future. The special agricultural safeguard provisions will remain in force for the duration of the reform process. This may exceed the duration of the implementation period and will be determined in the course of the forthcoming negotiations scheduled under the WTO Agreement on Agriculture.

(b) Fruit, vegetables, fish, etc.

16. In these areas, MFN peaks are generally lower than in the above-mentioned major food sectors, but nonetheless are very common; with some exceptions, there is a single rate without tariff quotas that reduces their impact. In most cases, peak duties for major fruits, vegetables and some fish and crustaceans range from 12 to 30 per cent. This is frequently the case for oranges and other citrus fruit, pineapples, apples, some stone fruit, grapes and tomatoes in the high season, as well as for tuna and sardines (for consumption). In individual markets, high rates are also applied to a variety of other fresh or dried vegetables, such as asparagus, olives, mushrooms, garlic, etc. However, in some markets import duties for many fruits, vegetables and fish are substantially lower.

17. Special national features include the very high peak tariffs for above-quota imports of bananas into the EU (180 per cent); of dried beans, peas and lentils into Japan (460 - 640 per cent); and of groundnuts (in shell) into the US (164 per cent). Furthermore, seasonal tariffs are common. The EU applies additional tariffs, which are progressively higher at lower import prices, for oranges and other citrus fruit, grapes, apples, etc., as well as for tomatoes, olives, cucumbers and other vegetables. The EU's tariff quotas for fish for industrial processing are subject to reference prices.

(c) Food industry

18. The food industry is a major area where tariff protection will remain frequent and high in the major developed country markets, even after implementation of the Uruguay Round concessions. Tariff peaks and a range of additional measures extend far beyond the immediate first processing stages to the industry as a whole and its large variety of products. Peaks are also relatively frequent in the food industry of China and the Republic of Korea.

19. The EU's food industry (beyond the stages of immediate processing industries) accounts for about 30 per cent of all tariff peaks, ranging with some exceptions from 12 to 100 per cent. There are several cases of additional duties to compensate processing industries for higher prices of agricultural

inputs. Examples of products subject to particularly high rates include cereal and sugar-based products, fruit preparations, canned fruit juices, etc. The food industry accounts for one sixth of all tariff peaks in the US and these also fall mainly into the 12 to 100 per cent range. The US applies a widespread system of combined MFN and tariff quota rates in this area, together with safeguards consisting of additional duties which rise progressively, if import prices are below a certain threshold. Examples of products subject to US tariff peaks include orange juice (31 per cent), peanut butter (132 per cent), as well as certain tobacco products (350 per cent). In Japan, the food industry accounts for 40 per cent of all tariff peaks throughout the various branches. Major product examples include margarine, canned meat and meat preparations, chewing gum and other sugar confectionery, cocoa powder and chocolate, pasta and other cereal products, preserved fruit and vegetables, fruit juices, coffee and tea syrups and extracts, cigarettes, smoking tobacco, etc.

20. In the four developing countries, the food industry accounts for 4 to 8 per cent of all tariff peaks in Brazil, Malaysia and China, and 30 per cent in the Republic of Korea. Major sectors affected are canned fruit and vegetables, beverages and tobacco.

(d) Textiles and clothing

21. In the US, the EU and Canada, large proportions of clothing and textile imports are subject to high tariffs. Most tariff peaks are in the 12 - 30 per cent range, with some exceptions such as certain woollen and synthetic clothing that are subject to rates of 32 per cent in the US (see table 10). These high tariffs are, for now, combined with quantitative import restrictions. On the other hand, there are a number of textile products of major importance for developing country exports whose MFN or GSP rates are being substantially reduced or set to zero (such as tariffs on printed cotton fabrics in the US). In the US, MFN rates apply for most products, even for developing countries, as most of them are not covered by the GSP. EU's GSP benefits for clothing and textile products are generally limited to a 15 per cent margin of the MFN rates and subject to several country-sector limitations. On the other hand, Japan has very few and relatively low peak tariffs in these two sectors and does not apply quantitative restrictions to developing countries' exports (except a few voluntary export restraint (VER) agreements with such countries as China and the Republic of Korea). In some of the developing countries, clothing and textiles are still largely protected by relatively high tariffs and in China by import licencing. The Republic of Korea is a notable exception, and in Brazil protection is limited to tariffs which will be reduced to 20 per cent by the year 2000.

(e) Footwear, leather and travel goods

22. Footwear of various types is still protected by high tariffs in most developed countries. Post-Uruguay Round MFN rates will reach about 160 per cent in Japan (for a pair of leather shoes valued at US$25), 37.5-58 per cent for certain rubber, plastic and textile shoes in the US, and 18 per cent in Canada. MFN duties remain relevant, as GSP benefits are limited in this sector. In the US, footwear and leather products are excluded from the coverage of the scheme, so that MFN tariffs apply fully to developing countries. Japan generally grants a reduction of half of the MFN duty within the limits of binding tariff quotas

for travel and leather goods and footwear, which are usually rapidly exhausted soon after the opening of the quotas. With the exception of the Republic of Korea, the developing countries maintain relatively high duties on footwear and leather products.

23. Furthermore, Japan applies a rate of 30 per cent on tanned and prepared leather. The GSP rate is half of the MFN rates and subject to tariff quotas.

(f) Automotive sector, transport equipment and electronics.

24. With the exception of Japan and the Republic of Korea, the countries reviewed maintain a high level of protection for one or the other branch of the transport industry. Most of the developing countries maintain high tariff protection with rates rising above 100 per cent in their automobile industry. In the developed countries, tariff protection is more selectively applied: 25 per cent for trucks in the US; 22 per cent for trucks and 16 per cent for buses in the EU; and 25 per cent for ships and boats, including fishing vessels in Canada.

25. In addition, various developed and developing countries apply high tariffs on TV receivers, video recorders, TV picture tubes and some other high technology products, such as watches.

Least developed countries

26. Due to the application of a more favourable GSP treatment, the post-Uruguay Round position of the least developed countries (LDCs) will be more favourable than that of developing countries in general. However, a substantial number of peak tariffs will continue to apply to their important export products in all major markets.

27. Most industrial exports from LDCs to the EU are duty free, as most of these countries are members of the Lomé Convention. The EU Council of Ministers recently decided to extend the preferential tariff treatment under the Lomé Convention to the other least developed countries by the year 2000. As a result, no industrial peak tariffs will remain in effect for LDC products. Japan's GSP exempts most LDC exports from virtually all industrial peak tariffs as well as tariff quota limitations. Therefore LDCs can for example export leather products and footwear duty free to Japan. In 1997, the US extended the product coverage of its GSP in favour of LDCs. As a result, many more industrial and agricultural products will now benefit from duty-free entrance and significant tariff advantages vis à vis other suppliers. However, such major sectors as textiles, clothing, footwear and leather products remain outside the scope of the GSP improvements in favour of LDCs. Consequently, LDCs continue to face many MFN peak duties for their major industrial exports. In Canada, certain peak duties will also remain in effect for imports of LDCs with regard to products not covered by its GSP. In developing country markets further improvements in market access may result from the ongoing negotiations of the Global System of Trade Preferences among Developing Countries (GSTP), as well as the implementation of the staged tariff reform programmes in major developing countries. In addition, certain LDCs can benefit from membership in subregional integration groupings or preferential arrangements, such as Cambodia, Laos and, eventually, Myanmar in the Association of South-East Asian Nations (ASEAN); Bangladesh and Laos in the Bangkok Agreement; and Bangladesh,

Burma, Nepal and the Maldives under the South Asian Preferential Trade Agreement (SAPTA), as well as in the various subregional and regional African integration groupings.

28. The situation is different in the agricultural sector as quite a number of peak tariffs remain applicable to LDCs in all major markets. The 1997 GSP scheme of the US provides duty-free access for most agricultural exports from LDCs, including imports within tariff quotas. Consequently, LDCs can now obtain important tariff preferences for a number of products. On the other hand, the peak tariffs on exports above the tariff quotas remain applicable to LDCs. Japan grants duty-free treatment to LDCs for a substantial range of agricultural and food industry products. However, LDCs continue to face peak MFN rates for beef and other meat products, sugar and sugar products, various fruits and fruit juices, etc. The EU applies extensive preferences to agricultural imports from African Caribbean and Pacific (ACP) countries. But, high tariffs, including MFN peak rates, remain in effect for a number of major food products, in particular for imports beyond limited preferential tariff quotas or past trade levels. For example, this is the case for bovine meat, sheep and goat and other meat and meat products; major cereals, such as rice, wheat and rye; as well as for several fruit, vegetable and food industry products. Many other agricultural products and processed agricultural products obtain only a partial reduction of the MFN duties. This rebate amounts for example to 16 per cent of the rate applicable to sugar and its products, to various canned meat products, certain milk products and butter, etc. Consequently, even many preferential ACP rates remain at peak levels.

III. TARIFF ESCALATION

29. Not only the level of a tariff, but also the tariff structure may imply a distortion of international production and trading conditions and constitute additional barriers to market access. Tariff escalation occurs if tariffs rise with stages of further processing. Escalating tariffs provide additional protection to domestic processing industries allowing them to produce at higher than international costs, and hence to increase artificially their value added as compared to that of efficient international competitors. This implies in turn for exporters that access to exports for processed industrial products becomes more difficult, and that vertical diversification of production for exports of higher value-added products is slowed down. In an attempt to capture these considerations, tariff escalation is frequently measured in terms of Effective Rates of Protection (ERP). This measure relates the protection granted to the processed product to the value added of the particular process involved and deducts the protection for the input procured externally. De facto, many data, methodological and conceptual problems involved in the measurement of ERPs lead to the frequent use of nominal rates of tariff escalation as a proxy.

30. A recent note prepared by the WTO Secretariat on "Tariff Escalation" in the context of the Committee on Trade and Environment (WT/CTE/W/25) arrives at the conclusion that in most countries studied (i.e., the Quad, Brazil, India, Indonesia, Malaysia, Poland and Hungary) bound post UR tariffs imply a nominal tariff escalation in such sectors as metals, textiles and clothing, leather products, rubber products, and to some extent also wood products and furniture. The study further maintains, that in view of the relatively large share of inputs in the value of the final product produced using natural resource-based products and textiles and clothing, the tariff escalation for these categories implies a substantially high effective rate of protection. In view of the large market base of these countries, a decline in tariffs would imply a significant increase in market access for other countries supplying them with exports.

31. The recent FAO study (1997) on "The Impact of the Uruguay Round on Tariff Escalation in Agricultural Products" (ESCP No.3) points out that as a result of the UR tariff concessions more than 80 per cent of nominal tariff wedges between raw materials and their processed products have decreased in nominal terms, creating some opportunities for developing countries to diversify their exports into higher value processed products. However, for more than half of the commodities selected, a positive tariff escalation will remain in application and retain an important dimension. These tariff wedges will reach, after full implementation of the UR concessions, on average, 17 per cent nominally (as compared to 23 per cent in the base years 1986-1988) for the commodity pairs and the three markets selected: 16 per cent in the EU (down from 23 per cent), 27 per cent in Japan (down from 25 per cent) and 9 per cent in the US market (down from 12 per cent). The study also contains estimates for effective rates of protection of selected products. Post UR ERPs reach, in the European Union for example, 44 per cent for wheat flour and 25 per cent for orange juice; in Japan 30 per cent for refined sugar and 12 per cent for roasted coffee; and in the United States 13 per cent for soya bean oil and 42 per cent for condensed milk. This study further finds that in certain cases ERPs will be negative, as the tariff for the agricultural raw material exceedsthat for the processed product. This result is however due mainly to the fact that only bound tariffs were taken into account. In many cases, processing

industries have, however, access to zero or low duty imports of their raw materials under tariff quotas or autonomous tariff suspensions. Others are compensated for high domestic raw material prices by additional tariffs for their products. In actual fact, the effective protection for the industry will not be negative but may even reach substantial dimensions.

32. The FAO study concludes that tariffs and tariff escalation may present an important problem for diversifying exports of developing countries. Though food processing is a major export industry of developing countries, their exports are largely concentrated in the first stage of processing. More advanced food industry products make up only 5 per cent of the agricultural exports of LDCs and 16.6 per cent of those of developing countries as a whole, against 32.5 per cent for developed countries. There are a number of reasons preventing developing countries from establishing value-added industries and increasing their share of processed agricultural exports. FAO concludes that for some commodities tariff escalation constitutes probably one of the major constraints to vertical diversification of their agricultural exports.

33. The analysis in this study complements the WTO and FAO studies by an estimation of ERPs for two major export products of developing countries which are followed through various stages of the production chain from raw materials through intermediate products to final industrial consumer goods: leather shoes and cotton shirts. These estimates meet the same problems as other studies in this area, such as the difficulty in translating estimated magnitudes into trade and resource allocation effects, as well as data problems for input-output coefficients, the selection of representative products in representative price ranges, or the need to apply restrictive assumptions (for example, that world market prices and production methods would not be affected by tariff changes). The results need therefore to be interpreted with all due caution.

34. Post-Uruguay Round ERPs for the production of leather shoes vary substantially between major markets. In terms of applied rates (as distinct from much higher bound rates or lower GSP and LDC rates), ERPs are relatively low for the final stage of shoe production in the EU and US with 9 and 12 per cent respectively. Protection for men's leather shoe producers reaches however high levels in Canada with 32 per cent; in Japan this rate is 28 per cent for shoes within the tariff quota and 260 per cent at the specific MFN rate for shoes priced at US$25 per pair (corresponding to the average import price of such shoes in the United States). At the lower rates, cost for domestic consumers in Canada and Japan reach by and large already one third of the value added. At the Japanese MFN rate, the protection implied can be compared with two and a half times the overhead cost and salaries of management and staff of a shoe factory. ERPs for leather shoes amount to 15 per cent in the Republic of Korea and 44 per cent in Malaysia. In the US, the ERP is much higher for footwear of plastic, rubber or textiles than for leather shoes.

35. There appears to be no homogeneous pattern of increase of effective protection by stages in the shoe industry. Effective protection doubles in the United States and Canada from the stage of the leather industry to that of footwear production (from 7 to 12 per cent and 15 to 32 per cent, respectively), and rises even more steeply in Malaysia (from 16 to 44 per cent). On the other hand, about the same level of protection is accorded to both industries in the Republic of Korea (15 per cent). In the EU, protection is more pronounced for the leather industry than for shoe production (at rates of 14 per cent and 9 per cent). At a rate of 14 per cent, EPR may however still slow down entry of new potential exporters aiming for forward integration

from efficient cattle production. It may also be recalled that most successful footwear exporters did not build up vertical integration through these stages, but started directly with shoe production under subcontracting and special tariff provisions for outward processing.

36. The non-linearity of effective protection along the processing chain is even more pronounced for cotton shirts. Effective protection of cotton shirts varies between 7 per cent in Japan and 35 per cent in the US among the developed countries and amounts to 20 per cent in the Republic of Korea and 58 per cent in Malaysia. Effective protection remains relatively high at the first entry level to industry. Spinning is protected at rates of 25 and 28 per cent in the US and Canada, 40 per cent in the Republic of Korea and almost 70 per cent in Malaysia. This compares with 14 per cent in the EU and only 6 per cent in Japan. ERPs for the weaving stage are relatively lower and fairly similar in the EU, Japan and the Republic of Korea (13-15 per cent), about half that level in the US (8 per cent) and substantially higher in Malaysia.

37. As stated above, these estimates need to be interpreted with caution because of data problems. Another reason is that quantitative restrictions continue to provide additional protection for the textiles and clothing industry. GSP offers opportunities for lower tariff imports of intermediate inputs in some major markets. Both factors increase the Effective Rate of Protection (ERP) in further processing stages. On the other hand, special outward processing tariff provisions for the finished products or certain intermediate processes such as cotton printing, diminish effective protection in clothing and footwear industries. These results point nonetheless to the persistence of high levels of effective protection in these major consumer good industries which are of primary export importance to developing countries.

IV. OVERVIEW

38. In spite of the substantial progress in trade liberalization resulting from the Uruguay Round, there remain an important number of products and sectors where peak tariffs, relatively high effective protection and significant tariff escalation will persist even once all agreed concessions are implemented, and even if one takes full account of GSP concessions.

39. While numerous peak tariffs were substantially reduced during the Round, this was not a general pattern. In effect, there are a number of products for which certain countries did not offer concessions at all or only small reductions. The effects of the per se positive structural change in protection through tariffication have further created new peak tariffs throughout the agricultural sector and in large parts of the food industries. The reform process of agricultural protection, which comprises also the reduction of subsidies and domestic protection, should therefore be pursued intensively and rapidly concluded. The persistence of many high duties and the below average reduction of many such rates is also a consequence of the fact that the Uruguay Round tariff negotiations did not establish specific targets for tariff harmonization, contrary to what had happened during the previous Rounds. Appropriate harmonization formulas which meet this new situation would merit further study.

40. In the industrial sector, the high tariff, high escalation areas include many products where developing countries have a high share in the imports of

the major markets concerned. Footwear, clothing, textiles, etc. represent a significant proportion of exports of many developing countries. In the agricultural sector and in particular the food industry, the importance of peaks for exporters is often reflected by low levels of imports to major markets: where tariffs are very high, overall imports are frequently small. Imports from developing countries are absent over wide ranges of food industry products and sometimes even for their major agricultural export products in individual major markets. According to preliminary indications there seems to be little trade exceeding the tariff quota levels in agricultural and food industry products.

41. The dynamics of the effects of the Uruguay Round concessions will soon become transparent in the trade statistics. Thus far, trade data are only available for 1995 or 1996, i.e., a maximum of two years after the beginning of their staged implementation; furthermore, they are at an insufficient level of disaggregation to capture most particular peak duty products. A preliminary review of trade data for broader product definitions including high tariff products tends to show that there have been substantial trade increases in some areas in major markets, and in particular the developing country markets selected. But this is by no means a general trend. There are several products and sectors where tariffs are particularly high and where trade has stagnated or even regressed between 1990 and 1996, sometimes contrary to the general trend of rapid growth of overall import demand. This has been for example the case of imports of beef and groundnut products into the US and shoe imports into Japan. In the EU, a significant reduction in imports of beef with bones, other meat, and a number of cereals has complemented the absence of significant imports of several other products from developing countries. It is not yet possible to attribute at this stage movements in trade to tariff changes resulting from the Round. Many other factors enter into account, in particular with respect to export capacities of developing countries and competitive strength and divergent economic growth in major markets. Other market access conditions also play an important role. For example, the sanitary and phytosanitary problems of many developing countries, and the way in which corresponding import restrictions are still applied by many importing countries, may provide some explanation as to why trade of beef is flowing to one major market, whereas there are no exports to other major markets.

42. The nature of the peak tariffs and their selective application would warrant complementing the existing tariff and trade data base with detailed national trade data specifying for each tariff line the trade flows under the various tariff regimes and rates applied. This should include individual trade flows by partner countries under the MFN, GSP and LDC rates, preferential trade within free trade agreements, customs unions or other preferential arrangements, trade under outward processing regimes, and autonomous tariff rates. This work could be useful for backstopping future negotiations on agricultural products, and, as the case may be, for eventual negotiations on industrial products, including harmonization of peak tariffs. It requires the full cooperation of the WTO member States for supplying this information to the secretariats. The TRAINS system of UNCTAD could be adjusted for disseminating such information in a PC format to member countries and private business.

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TABLE 1: Distribution of tariff peaks by product groups
European Union

Product Group	Number of items						No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	351	52	68	79	13	1	213	16.2
Fish and crustaceans (3)	373	96	45	.	.	.	141	10.7
Dairy products (4)	197	14	21	77	9	.	121	9.2
Fruit and vegetables (7-8)	407	116	10	5	1	.	132	10
Cereals, flour and meal, etc. (10-11)	174	21	29	75	.	.	125	9.5
Vegetable oils, fats, oilseeds, etc. (12,15)	211	14	.	8	1	1	24	1.8
Canned and prepared meat, fish, etc. (16)	105	33	17	8	.	.	58	4.4
Sugar, cocoa and preparations (17,18)	75	10	34	6	.	.	50	3.8
Prepared fruit, vegetables (20)	310	140	70	39	1	.	250	19
Other food industry products (19,21)	90	16	27	8	.	.	51	3.9
Beverages and tobacco (22,24)	202	48	9	15	2	.	74	5.6
Other agriculteral products (5-6, 9, 13-14, 23)	231	12	4	14	4	.	34	2.6
SUBTOTAL: Agricultural and fishery products (1-24)	**2726**	**572**	**334**	**334**	**31**	**2**	**1273**	**96.8**
SUBTOTAL: Mineral products, fuels (25-27)	**257**	.	.	.	.	.	**0**	**0**
Leather, leather products (41-43)	138	.	.	.	.	.	0	0
Textiles (50-60, 63)	967	3	.	.	.	.	3	0.2
Clothing (61-62)	378	.	.	.	.	.	0	0
Footwear (64)	82	3	.	.	.	.	3	0.2
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**1565**	**6**	.	.	.	.	**6**	**0.5**
Glass and ceramic products (69-70)	198	.	.	.	.	.	0	0
Consumer electronics (8516-8542)	435	.	.	.	.	.	0	0
Vehicles (87)	184	15	.	.	.	.	15	1.1
Watches and clocks (91)	65	.	.	.	.	.	0	0
Chemicals, plastic and rubber products (28-40)	1596	6	7	8	.	.	21	1.6
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	942	.	.	.	.	.	0	0
Metal products, machinery, etc. (72-86, 88-90)	2786	.	.	.	.	.	0	0
SUBTOTAL: Industrial products (28-96)	**7771**	**27**	**7**	**8**	.	.	**42**	**3.2**
TOTAL: ALL PRODUCTS (1-96)	**10754**	**599**	**341**	**342**	**31**	**2**	**1315**	**100**

TABLE 2: Distribution of tariff peaks by product groups

Japan

Product Group	Number of items						No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	136	11	3	19	7	.	40	4.5
Fish and crustaceans (3)	189	.	.	.	.	.	0	0
Dairy products (4)	146	2	45	57	17	5	126	14.1
Fruit and vegetables (7-8)	209	18	1	2	1	6	28	3.1
Cereals, flour and meal, etc. (10-11)	132	17	37	24	5	5	88	9.9
Vegetable oils, fats, oilseeds, etc. (12,15)	161	6	1	1	.	3	11	1.2
Canned and prepared meat, fish, etc. (16)	101	1	21	3	1	2	28	3.1
Sugar, cocoa and preparations (17,18)	80	4	26	19	6	.	55	6.2
Prepared fruit, vegetables (20)	231	81	52	5	2	.	140	15.7
Other food industry products (19,21)	232	44	113	2	14	1	174	19.5
Beverages and tobacco (22,24)	65	10	8	.	.	.	18	2
Other agriculteral products (5-6, 9, 13-14, 23)	208	10	.	.	.	.	10	1.1
SUBTOTAL: Agricultural and fishery products (1-24)	**1890**	**204**	**307**	**132**	**53**	**22**	**718**	**80.5**
SUBTOTAL: Mineral products, fuels (25-27)	**194**	.	.	.	.	.	**0**	**0**
Leather, leather products (41-43)	173	33	13	12	.	.	58	6.5
Textiles (50-60, 63)	1551	9	.	.	2	.	11	1.2
Clothing (61-62)	572	27	.	.	.	.	27	3
Footwear (64)	114	1	38	13	12	9	73	8.2
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**2410**	**70**	**51**	**25**	**14**	**9**	**169**	**18.9**
Glass and ceramic products (69-70)	112	.	.	.	.	.	0	0
Consumer electronics (8516-8542)	211	.	.	.	.	.	0	0
Vehicles (87)	83	.	.	.	.	.	0	0
Watches and clocks (91)	60	.	.	.	.	.	0	0
Chemicals, plastic and rubber products (28-40)	1335	2	3	.	.	.	5	0.6
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	791	.	.	.	.	.	0	0
Metal products, machinery, etc. (72-86, 88-90)	1878	.	.	.	.	.	0	0
SUBTOTAL: Industrial products (28-96)	**6880**	**72**	**54**	**25**	**14**	**9**	**174**	**19.5**
TOTAL: ALL PRODUCTS (1-96)	**8964**	**276**	**361**	**157**	**67**	**31**	**892**	**100**

TABLE 3: Distribution of tariff peaks by product groups
U.S.A.

Product Group	Number of items						No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	116	1	6	.	.	.	7	0.8
Fish and crustaceans (3)	114	.	.	.	.	.	0	0
Dairy products (4)	251	44	29	58	5	4	140	15.3
Fruit and vegetables (7-8)	269	17	13	.	.	.	30	3.3
Cereals, flour and meal, etc. (10-11)	59	.	.	.	.	.	0	0
Vegetable oils, fats, oilseeds, etc. (12,15)	124	4	.	2	2	.	8	0.9
Canned and prepared meat, fish, etc. (16)	90	2	1	1	.	.	4	0.4
Sugar, cocoa and preparations (17,18)	144	20	6	13	2	.	41	4.5
Prepared fruit, vegetables (20)	169	20	3	2	3	.	28	3.1
Other food industry products (19,21)	156	21	11	18	2	.	52	5.7
Beverages and tobacco (22,24)	126	10	1	3	1	7	22	2.4
Other agriculteral products (5-6, 9, 13-14, 23)	161	.	.	2	.	.	2	0.2
SUBTOTAL: Agricultural and fishery products (1-24)	**1779**	**139**	**70**	**99**	**15**	**11**	**334**	**36.6**
SUBTOTAL: Mineral products, fuels (25-27)	**183**	.	.	.	.	.	**0**	**0**
Leather, leather products (41-43)	156	14	5	.	.	.	19	2.1
Textiles (50-60, 63)	984	184	25	1	.	.	210	23
Clothing (61-62)	559	170	69	8	.	.	247	27.1
Footwear (64)	115	6	11	31	.	.	48	5.3
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**1814**	**374**	**110**	**40**	.	.	**524**	**57.4**
Glass and ceramic products (69-70)	232	12	9	2	.	.	23	2.5
Consumer electronics (8516-8542)	370	5	.	.	.	.	5	0.5
Vehicles (87)	166	.	6	.	.	.	6	0.7
Watches and clocks (91)	175	5	2	1	.	.	8	0.9
Chemicals, plastic and rubber products (28-40)	2014	1	.	.	.	.	1	0.1
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	982	3	.	2	.	.	5	0.5
Metal products, machinery, etc. (72-86, 88-90)	2370	7	.	.	.	.	7	0.8
SUBTOTAL: Industrial products (28-96)	**8123**	**407**	**127**	**45**	.	.	**579**	**63.4**
TOTAL: ALL PRODUCTS (1-96)	**10085**	**546**	**197**	**144**	**15**	**11**	**913**	**100**

TABLE 4: Distribution of tariff peaks by product groups

Canada

Product Group	Number of items					No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	133	.	1	.	8	.	9	1.5
Fish and crustaceans (3)	89	.	.	.	.	.	0	0
Dairy products (4)	87	.	.	2	36	.	38	6.5
Fruit and vegetables (7-8)	238	27	.	.	.	.	27	4.6
Cereals, flour and meal, etc. (10-11)	90	3	8	10	.	.	21	3.6
Vegetable oils, fats, oilseeds, etc. (12,15)	120	.	.	1	1	.	2	0.3
Canned and prepared meat, fish, etc. (16)	91	5	.	.	8	.	13	2.2
Sugar, cocoa and preparations (17,18)	59	4	.	5	2	.	11	1.9
Prepared fruit, vegetables (20)	92	10	.	.	.	.	10	1.7
Other food industry products (19,21)	164	11	1	1	8	.	21	3.6
Beverages and tobacco (22,24)	95	3	.	1	3	.	7	1.2
Other agriculteral products (5-6, 9, 13-14, 23)	171	2	.	1	2	.	5	0.9
SUBTOTAL: Agricultural and fishery products (1-24)	**1429**	**65**	**10**	**21**	**68**	.	**164**	**28.2**
SUBTOTAL: Mineral products, fuels (25-27)	**187**	**5**	.	.	.	.	**5**	**0.9**
Leather, leather products (41-43)	107	10	.	.	.	.	10	1.7
Textiles (50-60, 63)	791	177	7	.	.	.	184	31.6
Clothing (61-62)	251	120	5	.	.	.	125	21.5
Footwear (64)	60	13	15	.	.	.	28	4.8
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**1209**	**320**	**27**	.	.	.	**347**	**59.6**
Glass and ceramic products (69-70)	152	7	.	.	.	.	7	1.2
Consumer electronics (8516-8542)	418	8	.	.	.	.	8	1.4
Vehicles (87)	160	1	.	.	.	.	1	0.2
Watches and clocks (91)	83	5	.	.	.	.	5	0.9
Chemicals, plastic and rubber products (28-40)	1254	14	.	.	.	.	14	2.4
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	835	13	.	.	.	.	13	2.2
Metal products, machinery, etc. (72-86, 88-90)	2680	6	12	.	.	.	18	3.1
SUBTOTAL: Industrial products (28-96)	**6791**	**374**	**39**	.	.	.	**413**	**71**
TOTAL: ALL PRODUCTS (1-96)	**8407**	**444**	**49**	**21**	**68**	.	**582**	**100**

TABLE 5: Distribution of tariff peaks by product groups

Brazil

Product Group	Number of items *						No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	86	2	.	.	.	.	2	0
Fish and crustaceans (3)	100	.	.	.	.	.	0	0
Dairy products (4)	43	36	.	.	.	.	36	0.7
Fruit and vegetables (7-8)	140	.	.	.	.	.	0	0
Cereals, flour and meal, etc. (10-11)	72	10	.	.	.	.	10	0.2
Vegetable oils, fats, oilseeds, etc. (12,15)	125	5	.	.	.	.	5	0.1
Canned and prepared meat, fish, etc. (16)	32	32	.	.	.	.	32	0.6
Sugar, cocoa and preparations (17,18)	35	24	9	.	.	.	33	0.6
Prepared fruit, vegetables (20)	51	51	.	.	.	.	51	0.9
Other food industry products (19,21)	59	57	.	.	.	.	57	1
Beverages and tobacco (22,24)	45	14	28	.	.	.	42	0.8
Other agriculteral products (5-6, 9, 13-14, 23)	151	3	.	.	.	.	3	0.1
SUBTOTAL: Agricultural and fishery products (1-24)	**939**	**234**	**37**	.	.	.	**271**	**5**
SUBTOTAL: Mineral products, fuels (25-27)	**212**	.	.	.	.	.	**0**	**0**
Leather, leather products (41-43)	108	7	29	.	.	.	36	0.7
Textiles (50-60, 63)	704	542	81	.	.	.	623	11.4
Clothing (61-62)	238	.	238	.	.	.	238	4.4
Footwear (64)	33	6	27	.	.	.	33	0.6
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**1083**	**555**	**375**	.	.	.	**930**	**17.1**
Glass and ceramic products (69-70)	139	66	8	.	.	.	74	1.4
Consumer electronics (8516-8542)	396	195	69	.	.	.	264	4.8
Vehicles (87)	125	65	57	.	.	.	122	2.2
Watches and clocks (91)	70	39	31	.	.	.	70	1.3
Chemicals, plastic and rubber products (28-40)	3024	1325	.	.	.	.	1325	24.3
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	640	332	80	.	.	.	412	7.6
Metal products, machinery, etc. (72-86, 88-90)	2503	1919	63	.	.	.	1982	36.4
SUBTOTAL: Industrial products (28-96)	**7980**	**4496**	**683**	.	.	.	**5179**	**95**
TOTAL: ALL PRODUCTS (1-96)	**9131**	**4730**	**720**	.	.	.	**5450**	**100**

* Post U.R. rates or MERCOSUR common external tariff rates.

TABLE 6: Distribution of tariff peaks by product groups

China

Product Group	Number of items *						No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	91	19	.	59	.	.	78	1.7
Fish and crustaceans (3)	112	.	5	91	.	.	96	2.1
Dairy products (4)	36	.	.	34	.	.	34	0.7
Fruit and vegetables (7-8)	138	7	70	59	.	.	136	2.9
Cereals, flour and meal, etc. (10-11)	50	.	.	29	10	.	39	0.8
Vegetable oils, fats, oilseeds, etc. (12,15)	124	6	36	43	5	.	90	1.9
Canned and prepared meat, fish, etc. (16)	32	.	.	32	.	.	32	0.7
Sugar, cocoa and preparations (17,18)	29	7	4	18	.	.	29	0.6
Prepared fruit, vegetables (20)	70	.	.	70	.	.	70	1.5
Other food industry products (19,21)	38	.	1	37	.	.	38	0.8
Beverages and tobacco (22,24)	35	1	1	32	.	.	34	0.7
Other agriculteral products (5-6, 9, 13-14, 23)	154	10	47	43	.	.	100	2.1
SUBTOTAL: Agricultural and fishery products (1-24)	**909**	**50**	**164**	**547**	**15**	.	**776**	**16.7**
SUBTOTAL: Mineral products, fuels (25-27)	**183**	**6**	**2**	.	.	.	**8**	**0.2**
Leather, leather products (41-43)	87	16	18	47	.	.	81	1.7
Textiles (50-60, 63)	729	108	187	394	.	.	689	14.8
Clothing (61-62)	275	.	.	275	.	.	275	5.9
Footwear (64)	29	.	.	29	.	.	29	0.6
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**1120**	**124**	**205**	**745**	.	.	**1074**	**23.1**
Glass and ceramic products (69-70)	101	13	36	46	.	.	95	2
Consumer electronics (8516-8542)	266	94	31	84	.	.	209	4.5
Vehicles (87)	179	16	31	76	31	.	154	3.3
Watches and clocks (91)	57	.	7	46	.	.	53	1.1
Chemicals, plastic and rubber products (28-40)	1250	236	171	138	.	.	545	11.7
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	622	99	77	326	.	.	502	10.8
Metal products, machinery, etc. (72-86, 88-90)	1822	762	272	203	.	.	1237	26.6
SUBTOTAL: Industrial products (28-96)	**5417**	**1344**	**830**	**1664**	**31**	.	**3869**	**83.2**
TOTAL: ALL PRODUCTS (1-96)	**6509**	**1400**	**996**	**2211**	**46**	.	**4653**	**100**

* MFN rates of 1996

TABLE 7: Distribution of tariff peaks by product groups

Republic of Korea

Product Group	Number of items						No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	118	21	35	18	.	.	74	8.9
Fish and crustaceans (3)	239	1	158	.	.	.	159	19.1
Dairy products (4)	44	.	11	30	.	.	41	4.9
Fruit and vegetables (7-8)	184	2	58	120	.	.	180	21.7
Cereals, flour and meal, etc. (10-11)	90	1	1	3	.	.	5	0.6
Vegetable oils, fats, oilseeds, etc. (12,15)	229	11	45	17	.	.	73	8.8
Canned and prepared meat, fish, etc. (16)	81	1	65	15	.	.	81	9.7
Sugar, cocoa and preparations (17,18)	52	.	3	.	.	.	3	0.4
Prepared fruit, vegetables (20)	91	2	20	68	.	.	90	10.8
Other food industry products (19,21)	105	3	.	7	.	.	10	1.2
Beverages and tobacco (22,24)	78	.	11	56	.	.	67	8.1
Other agriculteral products (5-6, 9, 13-14, 23)	264	4	22	7	.	.	33	4
SUBTOTAL: Agricultural and fishery products (1-24)	**1575**	**46**	**429**	**341**	.	.	**816**	**98.2**
SUBTOTAL: Mineral products, fuels (25-27)	**332**	.	.	.	.	.	**0**	**0**
Leather, leather products (41-43)	252	.	.	.	.	.	0	0
Textiles (50-60, 63)	941	.	.	.	.	.	0	0
Clothing (61-62)	329	.	.	.	.	.	0	0
Footwear (64)	55	.	.	.	.	.	0	0
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	**1577**	.	.	.	.	.	**0**	**0**
Glass and ceramic products (69-70)	209	.	.	.	.	.	0	0
Consumer electronics (8516-8542)	378	7	.	.	.	.	7	0.8
Vehicles (87)	196	.	.	.	.	.	0	0
Watches and clocks (91)	84	.	.	.	.	.	0	0
Chemicals, plastic and rubber products (28-40)	2501	4	3	.	.	.	7	0.8
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	1067	.	.	.	.	.	0	0
Metal products, machinery, etc. (72-86, 88-90)	2735	1	.	.	.	.	1	0.1
SUBTOTAL: Industrial products (28-96)	**8747**	**12**	**3**	.	.	.	**15**	**1.8**
TOTAL: ALL PRODUCTS (1-96)	**10654**	**58**	**432**	**341**	.	.	**831**	**100**

TABLE 8: Distribution of tariff peaks by product groups

Malaysia

Product Group	Number of items					No of peaks	Share
	Total	12 - 19%	20 - 29%	30 - 99%	100 - 299%	>= 300%	Total	in Total (%)
Meat, live animals, etc. (1-2)	89	.	.	.	.	.	0	0
Fish and crustaceans (3)	127	.	29	.	.	.	29	1
Dairy products (4)	54	.	.	.	.	.	0	0
Fruit and vegetables (7-8)	169	2	2	14	4	.	22	0.7
Cereals, flour and meal, etc. (10-11)	59	.	.	.	.	.	0	0
Vegetable oils, fats, oilseeds, etc. (12,15)	222	1	3	.	.	.	4	0.1
Canned and prepared meat, fish, etc. (16)	77	2	37	.	.	.	39	1.3
Sugar, cocoa and preparations (17,18)	44	11	.	3	.	.	14	0.5
Prepared fruit, vegetables (20)	144	19	48	3	.	.	70	2.4
Other food industry products (19,21)	83	24	13	.	.	.	37	1.3
Beverages and tobacco (22,24)	58	3	2	8	31	.	44	1.5
Other agriculteral products (5-6, 9, 13-14, 23)	126	.	3	1	.	.	4	0.1
SUBTOTAL: Agricultural and fishery products (1-24)	1252	62	137	29	35	.	263	8.9
SUBTOTAL: Mineral products, fuels (25-27)	**199**	**2**	**7**	**5**	**2**	.	**16**	**0.5**
Leather, leather products (41-43)	**105**	**3**	**26**	.	.	.	**29**	**1**
Textiles (50-60, 63)	845	12	395	140	.	.	547	18.6
Clothing (61-62)	248	.	235	3	.	.	238	8.1
Footwear (64)	48	.	16	24	.	.	40	1.4
SUBTOTAL: Leather, textiles, clothing (41-43, 50-64)	1246	15	672	167	.	.	854	29
Glass and ceramic products (69-70)	**132**	.	**37**	**41**	.	.	**78**	**2.6**
Consumer electronics (8516-8542)	305	51	71	20	.	.	142	4.8
Vehicles (87)	312	.	43	138	26	.	207	7
Watches and clocks (91)	59	.	1	1	.	.	2	0.1
Chemicals, plastic and rubber products (28-40)	1828	28	204	196	1	.	429	14.6
Wood, paper, furniture, etc. (44-49, 65-68, 71, 92-96)	2196	38	306	72	4	.	420	14.3
Metal products, machinery, etc. (72-86, 88-90)	2238	42	329	164	.	.	535	18.2
SUBTOTAL: Industrial products (28-96)	8316	174	1663	799	31	.	2667	90.5
TOTAL: ALL PRODUCTS (1-96)	**9767**	**238**	**1807**	**833**	**68**	.	**2946**	**100**

Table 9: Tariff Peak Products

Post U.R. Tariffs on Exports from Developing Countries

Agricultural products

Product Description	EU	Japan	USA	Canada	Brazil	China	Korea Rep. of	Malaysia
Bovine meat, chilled	86	46	26	26	10	50	40	0
Bovine meat, frozen (boneless)	215	46	26	26	12	50	30	0
Pork, frozen	38	66	0	0	10	45	25	0
Chicken meat, whole, frozen	32	12	2	238	10	45	20	0
Tunas, frozen	22	4	0	0	10	30	10	0
Sardines, frozen	23	4	1	0	10	30	10	0
Milk (>3 % fat)	113	280	66	241	14	30	36	0
Milk in powder, without sugar	66	80	55	243	16	30	40	0
Milk in powder, with sugar	54	85	179	243	16	30	40	0
Yoghurt	69	370	63	238	16	65	36	10
Butter	68	105	70	300	16	65	40	5
Cheese	120	30	133	246	16	65	36	10
Tomatoes, fresh or chilled	14	3	8	13	10	22	45	0
Cucumbers, fresh or chilled	16	3	13	13	10	22	27	0
Mushrooms	13	4	24	9	10	22	30	0
Olives, green	24	3	19	0	10	22	30	0
Olives, prov. preserved	16	9	12	0	10	22	27	10
Peas, dried	0	640	1	0	10	15	27	0
Beans, dried	0	460	0	0	10	6	30	0
Manioc, dried	75	15	0	0	10	20	20	5
Bananas, fresh	180	23	0	0	10	30	30	115
Pineapples, fresh	6	17	3	0	10	25	30	97
Oranges, fresh	16	32	4	0	10	52	50	10
Grapefruit,fresh	2	10	24	0	10	40	30	10
Grapes, fresh	18	12	1	1	10	55	45	10
Apples, fresh	11	17	0	0	10	40	45	10
Green tea	3	17	0	0	10	70	40	25
Wheat	65	39	2	77	10	114	5	0
Maize	84	60	2	1	8	114	5	0
Rice, milled	71	550	0	1	10	40	5	0
Wheat flour	44	40	2	33	12	91	4	0
Maize flour	29	21	2	6	10	91	5	0
Wheat, groats and meal	74	25	1	50	10	91	5	0
Maize, groats and meal	24	21	0	3	10	91	5	0
Malt of wheat	52	42	1	25	14	35	30	0
Wheat starch	32	75	0	25	10	35	8	0
Ground-nuts, shelled	0	550	132	0	10	20	40	5
Soya-bean oil, refined	10	13	19	10	10	122	5	5
Olive oil, refined	60	0	0	0	10	20	8	0
Margarine	31	21	10	56	12	55	8	4
Sausages	25	10	0	1	16	45	18	15
Pork hams, prepared	30	110	0	10	16	45	30	10
Beef meat, prepared	26	21	0	11	16	45	30	0
Canned herrings	20	7	0	5	16	45	20	5
Canned sardines	13	7	20	1	16	45	20	5
Canned tunas	24	10	35	9	16	45	20	5

Agricultural products - ctd.

Product Description	EU	Japan	USA	Canada	Brazil	China	Korea Rep. of	Malaysia
Cane sugar, raw	73	100	43	70	16	30	5	0
White sugar	71	59	41	70	16	30	8	0
Cane molasses	5	95	0	13	16	35	3	0
Chewing gum	18	24	0	8	20	15	8	15
Sugar confectionery	21	25	33	8	20	15	8	15
Cocoa powder with sugar	22	30	52	5	18	15	8	15
Chocolates, not filled	21	30	39	5	20	15	8	15
Pasta, uncooked, without eggs	39	22	0	7	16	40	8	15
Tapioca	34	10	0	0	16	40	8	5
Sweet biscuits, waffles etc.	26	15	0	4	18	40	8	15
Cucumbers, preserved	18	12	0	8	14	45	30	20
Tomatoes, preserved	14	13	13	12	14	45	45	20
Mushrooms, preserved	27	14	11	17	14	45	30	20
Beans, shelled, preserved	18	17	0	8	14	45	20	20
Fruit & nuts, preservd by sugar	33	13	16	10	14	65	30	0
Fruit jams, marmalades, purees	39	34	10	9	14	45	30	0
Peanut butter	13	12	132	0	14	50	50	5
Ground-nuts, roasted	11	21	132	0	14	45	50	5
Pineapples, prep.or preserved	25	110	1	0	14	45	45	58
Citrus fruit, prep.or preserved	21	30	14	0	14	45	45	20
Fruit mixtures, prep.or preservd	19	6	15	6	14	45	45	20
Orange juice	52	30	31	2	14	55	50	20
Grapefruit juice	44	30	19	0	14	55	30	20
Pineapple juice	46	30	12	0	14	55	50	20
Tomato juice	17	30	0	13	14	55	30	20
Grape juice	215	30	14	10	14	55	45	20
Apple juice	63	34	0	9	14	55	45	20
Coffe preparations & extracts	9	130	27	0	16	90	8	5
Tea prep., essences & extracts	6	180	91	0	16	90	40	20
Tomato ketchup	10	21	6	13	18	35	8	15
Other spirits, < 80 % vol.	46	27	0	1	20	70	30	95
Tobacco, stemmed, stripped	5	0	350	0	14	45	20	350
Cigarettes	58	0	10	13	20	70	40	165
Smoking tobacco	75	30	310	5	20	70	40	150

Note: Post Uruguay Round MFN rates above tariff quotas; or applied MFN rates (1997/96), or general GSP rates, if lower.

Table 10: Tariff Peak Products

Post UR. Tariffs on Exports from Developing Countries

Industrial products

Product Description	EU	Japan*	USA	Canada	Brazil	China	Korea Rep. of	Malaysia
Bovine skin leather, tanned	5	30	0	5	10	15	5	0
Sheep and lamb skin leather, prepared	2	30	2	7	10	25	5	0
Suitcases, briefcases of leather	1	16	8	11	20	45	8	25
Suitcases, of plastics or textiles	4	16	20	11	20	45	8	25
Small pocket leather goods	1	16	20	7	20	45	8	25
Leather gloves	7	14	14	16	20	45	8	25
Woven fabrics of > 80% combed wool	12	8	25	14	18	35	8	0
Cotton, raw	0	0	79	0	3	3	8	0
Carpets, knotted, of wool or fine animal hair	6	8	0	13	20	40	8	30
Babies' garments, knitted or croch., of synth. fibres	11	11	16	18	20	40	8	20
Women's blouses, knitted or croch., man-made fibr.	11	11	32	18	20	45	8	20
T-shirts, knitted or crocheted, of cotton	11	11	17	18	20	35	8	20
T-shirts, knitted or crocheted, of synthetic fibres	11	11	32	18	20	40	8	20
Pullovers, knitted or crocheted, of man-made fibres	11	11	32	18	20	40	8	20
Men's coats, woven, of wool or fine animal hair	11	13	17	18	20	45	8	20
Men's trousers, woven, of wool or fine animal hair	11	6	17	18	20	45	8	20
Men's trousers, woven, of cotton	11	6	17	17	20	40	8	20
Men's trousers, woven, of synthetic fibres	11	6	28	18	20	45	8	20
Women's dresses, woven, of wool or fine animal hair	11	10	14	18	20	45	8	20
Women's trousers, woven, of synthetic fibres	11	10	29	18	20	45	8	20
Men's shirts, woven, of cotton	11	7	20	17	20	40	8	20
Men's shirts, woven, of man-made fibres	11	7	28	18	20	45	8	20
Women's blouses, woven, of man-made fibres	11	10	27	18	20	45	8	20
Babies' garments, woven, of synthetic fibres	9	10	29	18	20	40	8	20
Ties, bow ties & cravats, woven, of man-made fibres	11	0	14	18	20	40	8	25
Bed linen, printed, of man-made fibres	11	5	15	18	20	40	8	30
Waterproof footwear	13	27	38	20	20	50	8	30
Footwear with outer soles & uppers of rubber/plast.	13	10	56	18	20	50	8	30
Footwear with leather uppers	6	160	10	18	20	60	8	30
Sports footwear (with textile uppers)	13	8	58	16	20	50	8	25
Parts of footwear, uppers and parts thereof	3	25	42	8	18	40	8	25
Ceramic tableware, kitchenware, etc. (excl. china)	9	0	28	0	20	55	8	30
Drinking glasses of glass	8	0	29	0	18	50	8	25
Glassware for kitchen, toilets, etc.	8	0	38	0	18	50	8	25
TV picture tubes, colour	10	0	15	6	18	20	8	0
Cars, capacity < 2.500 cm3	7	0	3	6	20	100	10	140
Diesel rucks	15	0	25	6	20	50	10	30
Bicylces	11	0	11	9	20	50	8	25
Watch movements	2	0	33	5	18	50	8	0

* GSP rates exist at half the MFN rate for most of these products, but are limited by tariff quotas.